

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 99-847

January 20, 2000

CENTRAL MAINE POWER COMPANY  
CMP NATURAL GAS, LLC  
Request for Approval of Affiliated  
Interest Transaction For Support  
Services Agreement

ORDER

WELCH, Chairman: NUGENT, and DIAMOND Commissioners

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**I. SUMMARY**

In this Order, we approve, as to form, support services agreements between: Central Maine Power Company (CMP) and CMP Natural Gas (CMPNG); CMPNG and New York State Electric and Gas Co. (NYSEG); CMP Group, Inc. (CMP Group) and CMPNG; Energy East Enterprises, Inc. and CMPNG; Energy East Corp. and CMPNG; and Union Water Company and CMPNG. In each instance, the agreement allows the named entity to provide services to CMPNG.

**II. BACKGROUND**

The genesis of these flings is the Commission's order of May 1, 1998, approving certain reorganizations and affiliated interest transactions related to the creation of CMPNG as a joint venture of CMP and NYSEG. *Central Maine Power Co. Application of Reorganization, Affiliated Interest Transactions and Sale in Connection with Gas Ventures*, Docket No. 98-077 (May 1, 1998). The joint venture agreement approved by the Commission in that docket included an unexecuted support services agreement between CMP and CMPNG. The Commission did not approve the support services agreement because the agreement contained provisions that were inconsistent with the then newly, provisionally adopted Chapter 820, governing transactions between affiliates. *Id.* at 8. Instead the Commission directed CMP to resubmit the agreement and delegated its authority to approve the agreement to the General Counsel.<sup>1</sup>

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<sup>1</sup> Also included, as part of the joint venture agreement, was a form support services agreement between NYSEG and CMP Gas. It appears to be oversight that the Commission did not similarly reject that agreement and delegate its approval to the General Counsel.

On October 22, 1998, CMP and CMPNG jointly requested Commission approval of four support services agreements (between CMP and CMPNG; NYSEG and CMPNG; CMP Group, Inc. and CMPNG; Union Water Power Company and CMPNG). *Central Maine Power Company; Request for Approval of Affiliated Interest Transaction for Support Agreement*, Docket No. 98-825. The General Counsel sent a letter to CMP noting that she only had been delegated authority to approve the agreement between CMP and CMPNG and that the other agreements would require Commission approval. She also asked for additional information about the agreements. CMP was unable to respond to the questions due to the press of other matters. Therefore, on April 21, 1999, the Commission closed the docket without prejudice to CMP and CMPNG's refiling their requests.

CMP and CMPNG then filed a request for approval of six agreements, all related to CMPNG, on June 4, 1999. *CMP Natural Gas, L.L.C. and Central Maine Power Co., Application for Approving of Support Services, Agreement under 35-A M.R.S.A. §707*. Docket No. 99-397. A number of these agreements included the provision of services that had not been discussed or addressed in either the reorganization or CMPNG certificate case. *Central Maine Power Co. Petition for Approval to Furnish Gas Services In and To Areas Not Currently Receiving Natural Gas*, Docket No. 96-786 (Aug. 17, 1998). These included call center services, marketing and key accounts, and billing and meter reading. On October 12, 1999, CMPNG and CMP withdrew the filing, stating their intent to refile amended agreements.

On November 24, 1999, CMP and CMPNG refiled the six agreements. The amended agreements delete provisions related to the services described above.

### III. DISCUSSION AND DECISION

The agreements, as filed on November 24, 1999, meet the requirements of Chapter 820 and are hereby approved. The Staff continues to have some questions about the Cost Allocation Manual and methodology by which costs are allocated under the Agreements. CMP and CMPNG are required to maintain these manuals pursuant to Chapter 820 §4 (G)-(H). The Staff and CMP are continuing discussions about the allocation methodologies. We approve the agreements with the understanding that those discussions will continue. Should the cost allocation methodology change, either by voluntary action by CMP and CMPNG or as directed by the Commission, these changes shall be applicable to these agreements.

We also note that on January 4, 2000, we approved the merger of CMP Group and Energy East, Inc. To the extent that merger, when consummated, affects any of these agreements, we expect CMPNG to file amendments to these agreements for our approval.

Dated at Augusta, Maine, this 20th day of January, 2000.

BY ORDER OF THE COMMISSION

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:      Nugent  
   Diamond

COMMISSIONERS ABSENT:        Welch

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.